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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Docket No. 7204

Assistant Commissioner for Patents
Washington, D.C. 20231

FEB 09 1998

Sir:

Transmitted herewith for filing is the patent application of Inventor(s):
Robin John Slater and Kenneth J. Peters

For: **METHOD AND APPARATUS FOR DETERMINING THE
VALIDITY OF A DATA PROCESSING TRANSACTION**

Enclosed are also:

- ☒ 5 Sheet(s) of Drawings
☒ An assignment of the invention to NCR Corporation
☐ A certified copy of an application

CLAIMS AS FILED

FOR	Number Filed		Number Extra		Rate		Basic Fee (\$790)
Total Claims	13	-20 =	0	X	\$ 22	=	\$ 0
Independent Claims	2	- 3 =	0	X	\$ 82	=	\$ 0
Multiple Dependent Claims	0			X	\$270	=	\$ 0
Total Filing Fee =							\$ 790

☒ Please charge the above filing and recording fees to the account of NCR Corporation,
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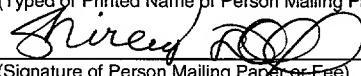
Please have all communications concerning this application and the recorded Assignment
directed to:

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Our telephone number is: (937)445-4956.

Respectfully,


Attorney for: **Robin John Slater et al.**

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(Signature of Person Mailing Paper or Fee)

SPECIFICATION

To all whom it may concern:

Be It Known, That we, **Robin John Slater**, and **Kenneth J. Peters**, citizens of Great Britain, residing at Dundee, DD2 3FJ; and Dundee, Scotland; respectively, have invented certain new and useful improvements in a **METHOD AND APPARATUS FOR DETERMINING THE VALIDITY OF A DATA PROCESSING TRANSACTION**, of which we declare the following to be a full, clear and exact description:

METHOD AND APPARATUS FOR DETERMINING THE VALIDITY OF A DATA PROCESSING TRANSACTION

Background of the Invention

5 The present invention relates to a method and apparatus for determining the validity of a data processing transaction. The invention is of particular advantage in checking the validity of a financial transaction conducted at an automatic teller machine (ATM) which has a card reader and means to enter a PIN (personal identification number).

10 It is conventional in an ATM to provide for an identification card to be entered and the PIN of the authorized card holder to be checked upon entry by the card holder of the PIN through a keypad of the ATM. If the PIN is entered incorrectly, the user may be allowed up to 3 attempts, and a failure to enter the correct PIN at this point may result in the capture of the card by the ATM. A PIN provides substantial security against fraudulent misuse of a card by an unauthorized user of the card, but the ATM may still not protect against misuse by an
15 unauthorized user who may guess the PIN or who may have had access to the PIN.

Summary of the Invention

20 It is an object of the invention to increase the level of security against fraudulent use of an identification card in an ATM, for the benefit of the authorized card holder and the operator of the ATM.

25 According to one aspect of the present invention, there is provided a method of determining the validity of a transaction of a data processing system which includes a manual data entry means, the method including the steps of receiving a first entry of data through the manual data entry means, and checking data entered in the first entry against a first stored field of security data, characterized by the further steps of receiving a second entry of data through said manual data entry means, and checking the data entered in the second entry against a second stored field of security data.

 According to a second aspect of the present invention, there is provided a data processing system for carrying out a transaction requested by a user of the system, including a

data processing unit, manual data entry means, and communication means for communicating information to a user of the system, said communication means being arranged, under the control of said data processing unit, to request a first entry of data from said data entry means, and said data processing unit being arranged to check data entered in response to the first request against a first stored field of security data, characterized in that said communication means is arranged, under the control of said data processing unit, to request a second entry of data from said data entry means, and said data processing unit is arranged to check data entered in response to the second request against a second stored field of security data, the validity of a requested transaction being determined by the results of the checks made of the data entered in response to the first and second requests.

Preferably, one of the entries of data is a PIN, and the other entry of data is data personal to a holder of the card. The personal data may relate, for example, to a date of birth and/or to a telephone number.

Brief Description of the Drawings

The invention will now be described, by way of example, with reference to the accompanying drawings, in which:

Fig. 1 is a perspective view of an ATM according to the present invention;

Fig. 2 shows a block circuit diagram of components included in the ATM of Fig. 1;

and

Figs. 3, 4 and 5 are explanatory diagrams relating to the operation of the ATM of Figs. 1 and 2.

Detailed Description

In Fig. 1 there is shown an ATM 10 which includes a magnetic card reader slot 12, a visual display device 14 for communicating information to a user of the ATM 10, and a keypad 16. The ATM 10 also includes a cash dispenser slot 18 and a printer slot 20.

Referring now to Fig. 2, the ATM 10 includes a data processing unit 22, a card reader 24 communicating with the slot 12, a cash dispenser 26 communicating with the slot 18, and a printer 30 communicating with the slot 20.

The data processing unit 22 incorporates a memory to register data entered into the ATM 10 by way of the keypad 16 and the card reader 24. The memory also stores programs to enable the processing unit 22 to provide the functions of displaying information to the user of the ATM 10 and to control the various operations required in the functioning of the ATM 10, including, for example, checking the validity of transactions, dispensing cash, or capturing a card entered into the card reader 24, as will be explained.

Upon entry of a user's identification card (magnetic stripe card) into the card reader slot 12, the processing unit 22 causes the display 14 to display a message which requests the user to enter his PIN. The processing unit 22 is also programmed to read magnetically recorded information from the card and to register that information in the memory of the processing unit 22. The information read from the card includes information identifying the authorized holder of the card. The information read from the card also includes the encrypted PIN which is located on one track of the card, and further encrypted personal digital information that is recorded on another track of the card. The personal information is information that has been nominated by the holder of the card and includes a date (e.g. the holder's date of birth) and digits from a telephone number. The personal information which is nominated consists of digits which may easily be remembered by the authorized holder of the card but would be difficult for a fraudulent user to discover. The telephone number need not be the personal number of the authorized holder but could be any telephone number which the authorized holder can easily remember. The information recorded magnetically on the card can thus be considered to include PIN digits in a first field of security data and personal information digits in a second field of security data. As already indicated, the recording of data on the card is protected by encryption.

Upon entry of a card into the card reader slot 12, which entry serves to initiate a transaction to be requested by the user, the data recorded on the card is read and decrypted. The display 14 is then used to display a request to the card user to enter the PIN through the

keypad 16. Following entry of the PIN, the user is requested, by way of the display 14, to enter two or more digits selected from the second field of security data on the card. The digits which are requested may be in a specific order which may not be sequential; for example the request may be for the third and first digits of the nominated telephone number in that order. The processing unit 22 is programmed to record which digits from the second field are requested of the card user.

Upon a subsequent use of the card, the procedure of checking is undertaken as before but the digits which are requested from the second field of security data are different. For example, for one time of use of the card, two digits are requested from the telephone number, while on a the next occasion the digits may be requested from the date of birth. The purpose of recording which digits have been requested of the card user is to enable the processing unit 22 to change the request following each occasion of use of the card. The processing unit 22 is programmed to initiate a series of requests for different selections of digits from the second field of data. Thus the digits from the date of birth may on one occasion represent the day of birth, the digits on a second occasion may represent the month of birth and the digits on a third occasion may represent the year of birth. On further occasions the digits may be requested at random from the telephone number.

If the user correctly enters data in response to both requests for entry of data, then the user is permitted to proceed with a transaction requested by the user at the ATM 10, such as the withdrawal of cash.

The processing unit 22 is programmed to ascertain, from an incorrect entry of requested digits, how closely the actual entry is to the correct entry. The response of the processing unit 22 is thereby made variable in dependence upon the entry of digits through the keypad 16. If the response to a request for the PIN and two digits of personal data is incorrect, the processor 22 is programmed to initiate a further request. The further request may depend on the degree of accuracy of the response to the first request. The next request may include a demand for further digits of personal information to discriminate between a legitimate user who made a simple keying error and a fraudulent user who is guessing at the correct entry and needs to be checked further.

A failure to make a correct entry in response to some requests initiated by the processing unit 22 causes the processing unit 22 to terminate the transaction process and to control the card reader 24 to capture the card. Such a request is referred to herein as a final request. A final request may be presented to the user after one or more previous failed attempts at entry of digits through the keypad 16. If a second failed attempt is close enough to the correct entry that the user may still be regarded as possibly the legitimate user, a further attempt may be allowed. A failed attempt at a final request will result in a requirement for full validation. Full validation involves termination of the transaction process, capture of the card, and notification to the user and to the bank that there is a potential illegal use of the card which may be resolved by the bank or the user demonstrating that the user is genuine but has been unable to make a correct keypad entry for some valid reason.

A final request may occur after one previous failed attempt if the failed attempt is so far from a correct entry that the user is likely to be guessing the correct entry. A final request may be presented after two previous failed attempts provided the previous attempts are close enough to the correct entry to justify a third attempt.

To illustrate a suitable hierarchy of requests in the ATM 10, reference will now be made to Figs. 3, 4 and 5. Referring first to Fig. 3, a first request, Request 1 in the diagram, requires an input of the PIN and a data input D0. The data input may be selected from a date of birth represented, for example, as 12 02 65 for a date of 12 February 1965. Thus D0 could be the digits 1 and 2, a second data input D1 could be the digits 0 and 2 and a third data input D2 could be the digits 6 and 5. A successful entry of the PIN or a personal data input is represented in the diagram by Y while an unsuccessful input is represented by N. If the entry of the PIN and the digits D0 was fully successful, the entry is represented by Y + Y as shown in the diagram. A fully successful entry results in the transaction being permitted to proceed and the data processing unit 22 records that the data field D0 was requested to be entered by the user.

If the response to the first request was only partly successful, as indicated by Y for the PIN and N for the data D0, a second level check is performed to determine if the incorrect entry D0 had the digits transposed or had digits equal to D1 or D2. For the hierarchy of

requests illustrated in Fig. 3, it is assumed that the second level check had an affirmative result. Thus, the card holder made a correct entry of the PIN and so could be genuine, and the nature of the incorrect entry for D0 may also indicate this. To determine if the cardholder was confused with the date field, the second request is for the PIN and the full date of birth D0, D1 and D2. If the entry to the second request is fully successful, as indicated by Y + Y + Y + Y, the transaction is permitted to proceed and the data processing unit 22 records that the data fields D0, D1 and D2 were requested to be entered by the user.

If the entry to the second request was only partly successful and only one error was made, this is indicated by 3Y + N. In this event, the user is allowed a further attempt and is subject to Request 3 in which the user is requested to enter the PIN, the digits D0, D1, D2 and all the digits of the telephone number, P. A fully successful response to the third request, all Y, results in the transaction being permitted to proceed. If any of the data entries for the third request is wrong, any N, then full validation is required, which involves termination of the transaction.

If the attempt at the second request is to make two or more errors, 2Y + 2N or 1Y + 3N or 4N, the indication is that the use is likely to be invalid with the user guessing numbers. The result is to initiate a full validation procedure.

Turning now to Fig. 4, the attempt at the first request (for PIN and D0) is Y + N or N + Y. If the attempt is Y + N (PIN correct but D0 incorrect), it is assumed that a second level check indicates that the digits of D0 were not transposed and are not equal to D1 or D2. On this occasion, the second request is for the entry of the PIN, the digits D0 and two sets of telephone digits PX and PY (where PX and PY were not used in the previous transaction). If the attempt at the second request is fully correct as indicated by 4Y, the transaction is allowed to proceed and the processing unit 22 records that the data fields D0, PX and PY were used.

If the attempt at the second request involves one error and that error is not in the data field D0, the user may be regarded as probably an authorized user and a third request is made for the PIN, the digits D0 and all the telephone number digits. If the result of that third request is fully correct, the transaction is permitted to proceed, but if any further error is made, a full validation procedure is initiated.

If the attempt made in response to the second request involves one error and that error is in D0, a third request is for the PIN, and the digits D0, D1, D2, PX and PY. If the result of this third request is fully correct, the transaction is permitted to proceed, but any error will result in a full validation procedure being initiated.

5 If the attempt made in response to the second request involves more than one error, the indication is of a high probability of an invalid transaction and accordingly a full validation procedure ensues.

In the hierarchy of requests shown in Fig. 4, the attempt at the first request may involve an incorrect PIN and a correct entry D0 (shown as N + y). This could indicate that
10 the user may be someone who knows the date of birth but not the PIN. In this case the second and third requests in the hierarchy are the same as before, and the second request is seeking to check on a user who may know the date of birth but not the telephone number.

Turning now to Fig. 5, the first attempt is shown as being incorrect in relation to both the PIN and the digits D0. In this case the second request is for the PIN, and the digits D0,
15 D1 and D2. If the second attempt is correct, the transaction is permitted to proceed. If the second attempt is correct as regards the PIN but involves an error in the digits D1 or D2, a third request is made for the PIN, the digits D0, D1, D2 and all the telephone digits P. A successful attempt at the third request will result in the transaction being permitted to proceed, but any digits in error will result in a full validation procedure being initiated.

20 If the attempt at the second request is to make an error in the PIN or in the digits D0, then a full validation procedure is immediately initiated. An attempt at the second request which results in making more than one error also results in a full validation procedure being initiated.

It will be appreciated that if, despite the enhanced level of security resulting from the
25 procedures according to the present invention, a fraudulent transaction nevertheless takes place, this indicates that the perpetrator of the fraud knew more about the card holder than just the PIN. Thus, it should be easier to track down the perpetrator of the fraud than would have been the case if only possession of the card and knowledge of the PIN were required. For example, the perpetrator of the fraud could be a member of the card holder's family.

[illegible]

[illegible]

1. A method of determining validity of a transaction carried out by a user at a data processing system, the method including the steps of:
 - (a) receiving a first entry of data from the user;
 - (b) checking the first entry of data against a first stored field of security data;
 - (c) receiving a second entry of data from the user;
 - (d) checking the second entry of data against a second stored field of security data; and
 - (e) determining the validity of the transaction based upon results of the checks of steps (b) and (d).
2. A method according to claim 1, further comprising the step of:
 - (f) displaying the first and second entries of data after receiving the second entry of data.
3. A method according to claim 1, further comprising the step of:
 - (f) receiving a user identification card from the user.
4. A method according to claim 3, wherein one entry of data is a personal identification number (PIN) associated with the user identification card and the other entry of data is data personal to an authorized holder of the card.
5. A method according to claim 4, wherein at least one of the first and second stored fields of security data is stored on the user identification card.

6. A data processing system for carrying out a transaction requested by a user of the system, the data processing system comprising:

manual data entry means for allowing the user to enter data;

communication means for communicating information to the user;

5 a data processing unit for (i) controlling the communication means to request a first entry of data from the user via the data entry means, (ii) checking the first entry of data against a first stored field of security data, (iii) controlling the communication means to request a second entry of data from the user via the data entry means, (iv) checking the second entry of data against a second stored field of security data, and (v) determining the
10 validity of the transaction based upon results of the checks made of the first and second entries of data against the first and second stored fields of security data, respectively.

7. A data processing system according to claim 6, wherein the communication means includes visual display means for displaying the results of checking the first and second entries of data.

8. A data processing system according to claim 7, wherein the data processing unit causes the communication means to make at least one further request for data to be entered by the user through the data entry means when an incorrect entry of data is received, and then checks the data entered in response to the further request against stored security
5 data.

9. A data processing system according to claim 8, wherein the nature of a further request for data is determined by the nature of the error or errors in the data previously received from the user via the data entry means.

10

11. A data processing system according to claim 10, wherein the data processing unit causes the card reader to capture the user identification card when an error in the data is received in response to a final request.

12. A data processing system according to claim 11, wherein the card reader reads at least one of the stored fields of security data from the user identification card.

13. A data processing system according to claim 5, wherein the data processing unit keeps a record of the requested second entry of data.

METHOD AND APPARATUS FOR DETERMINING THE VALIDITY OF A DATA PROCESSING TRANSACTION

Abstract

5 The present invention relates to determining the validity of a transaction of a data processing system such as the validity of a financial transaction carried out at an automatic teller machine (10) which has a magnetic card reader. In addition to the entry of a PIN, a user of the system is requested to enter personal information that has been nominated by the user and may consist of a date of birth and a telephone number. A keypad (16) allows the user to enter the PIN. The user is also requested to enter digits from the personal information to be checked against stored security data so that the level of security can be enhanced. A data processing unit of the system is programmed to cause further requests for digits from the personal information in the event that errors are made in the data entry.

DECLARATION AND POWER OF ATTORNEY

As a below named inventor, I hereby declare that:

my residence, post office address and citizenship are as stated below next to my name;

I verily believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled: **METHOD AND APPARATUS FOR DETERMINING THE VALIDITY OF A DATA PROCESSING TRANSACTION** (Docket No. **7204**), the specification of which

 X is attached hereto.
_____ was filed on _____ as
Application Serial No. _____
and was amended on _____.
(if applicable)

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, §1.56(a).

I hereby claim foreign priority benefits under Title 35, United States Code, §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

Prior Foreign Application(s)			Priority Claimed	
<u>9710720.5</u>	<u>United Kingdom</u>	<u>24 May 1997</u>	<u> X </u>	
(Number)	(Country)	(Day/Month/Year Filed)	Yes	No
_____	_____	_____	_____	_____
(Number)	(Country)	(Day/Month/Year Filed)	Yes	No

I hereby claim the benefit under Title 35, United States Code, §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, §112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, §1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application: **None**

_____ (Application Serial No.)	_____ (Filing Date)	_____ (Status) (Patented, Pending, Abandoned)
_____ (Application Serial No.)	_____ (Filing Date)	_____ (Status) (Patented, Pending, Abandoned)

And I hereby appoint:

Michael Chan of Dayton, Ohio, Registration No. **33,663**, and
Douglas S. Foote of Dayton, Ohio, Registration No. **31,013**.

my attorneys with full power of substitution and revocation, to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith. I hereby expressly waive my right to revoke the Power of Attorney granted above. Address all telephone calls to **Michael Chan** at telephone number **(937)445-4956**. Address all correspondence to **Michael Chan, NCR Corporation, Law Department, Intellectual Property Section, ECD-2, 101 West Schantz Avenue, Dayton, OH 45479-0001**.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under §1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

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866020" 66902060

FIG. 1

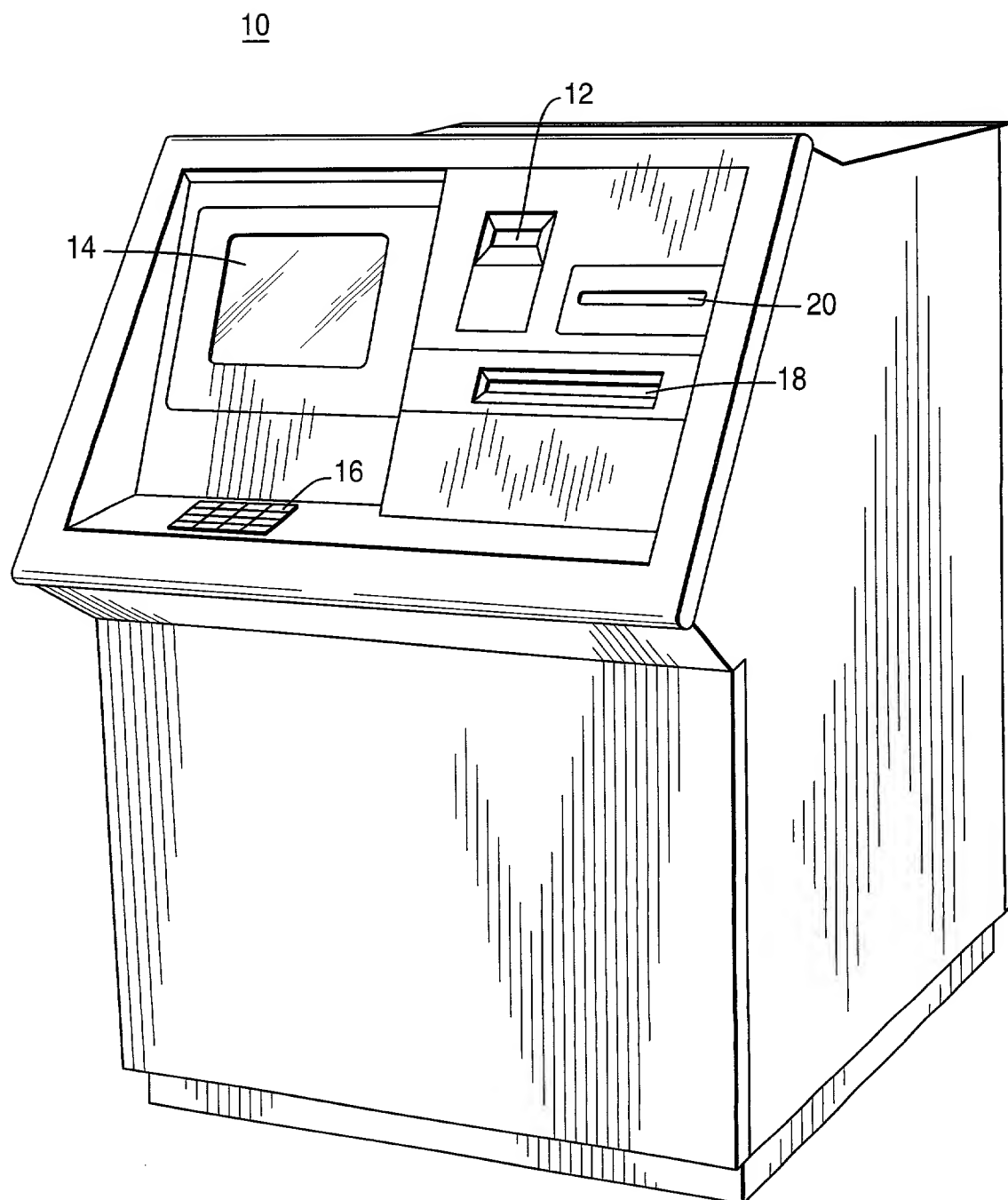


FIG. 3

REQUEST 1	SUCCESS	RESULT	REQUEST 2	SUCCESS	RESULT	REQUEST 3	SUCCESS	RESULT
PIN +D0	Y+Y	PROCEED						
	Y+N		PIN +D0 +D1 +D2	Y +Y +Y +Y	PROCEED			
						PIN +D0 +D1 +D2 +ALL P	ALL Y ANY N	PROCEED VALIDATE
				2Y + 2N 1Y + 3N 4N	VALIDATE			

FIG. 4

REQUEST 1	SUCCESS	REQUEST 2	SUCCESS	RESULT	REQUEST 3	SUCCESS	RESULT
PIN	Y+N	PIN					
+D0	N+Y	+D0	4Y	PROCEED			
		+PX					
		+PY					
			Y+Y+Y+N		PIN	ALL Y	PROCEED
			Y+Y+N+Y		+D0		
			N+Y+Y+Y		+ALL P	ANY N	VALIDATE
					PIN	ALL Y	PROCEED
					+D0		
			Y+N+Y+Y		+D1		
					+D2		
					+PX		
					+PY	ANY N	VALIDATE
			2Y+2N				
			1Y+3N	VALIDATE			
			4N				

FIG. 5

REQUEST 1	SUCCESS	REQUEST 2	SUCCESS	RESULT	REQUEST 3	SUCCESS	RESULT
PIN		PIN					
+D0	N+N	+D0					
		+D1	4Y	PROCEED			
		+D2					
					PIN	ALL Y	PROCEED
			Y+Y+Y+N		+D0		
			Y+Y+N+Y		+D1		
					+D2		
					+ALL P	ANY N	VALIDATE
			N+Y+Y+Y				
			Y+N+Y+Y				
			2Y+2N	VALIDATE			
			1Y+3N				
			4N				